GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:4426
ANSWERED ON:21.04.2003
JOINT VENTURE FOR GROUND HANDLING
KAMBALAPADU E. KRISHNAMURTHY;REENA CHOUDHARY

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether there is any proposal to set up a separate public sector undertaking for ground handling services at the airports across the country;

(b) if so, the details thereof;

(c) whether foreign equity is also proposed to be invited in setting up of these PSUs; and

(d) if so, the quantum thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI SHRIPAD YESSO NAIK)
(a), (b) and (c): - On account of security considerations and in order to streamline the policy on ground handling services so as to achieve world class standards and also to minimize the number of agencies performing ground handling operations at airports, the Government has taken a decision to suitably revise the Airports Authority of India (General Management, Entry for Ground Handling Services) Regulation, 2000 and to provide a system by 1st July, 2003, wherein only Air India Limited, Indian Airlines Limited and Airports Authority of India will form separate companies, having a minimum of 51 per cent share holding either directly or through their subsidiaries in the joint venture with an international operator or foreign airlines, subject to security clearance from the Government. Such joint venture company shall induct state-of-the-art technology, equipment of world-class standards.

(d): - No specific percentage has been fixed. However, no foreign airline will be permitted to have dominant share or management control. No `self-handling` by any of the airlines or their subsidiaries or agencies will be allowed. Pending formation of separate companies, Air India and Indian Airlines will directly provide ground handling services beyond 30 June 2003.